

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

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October 10, 2007

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, urges you to oppose H.R. 3056, the "Tax Collection Responsibility Act of 2007." This bill prohibits the Internal Revenue Service (IRS) from continuing its private debt collection initiative and also includes language that delays the implementation of the three percent tax withholding requirement by one year.

The Chamber has been a strong supporter for repealing the onerous three percent withholding requirement, which was enacted by Section 511 of the "Tax Increase Prevention and Reconciliation Act of 2005." The Chamber appreciates members addressing this issue and understanding the harmful consequences if this requirement is allowed to become effective. The one year delay is a positive first step toward developing a permanent solution; however, it does not go far enough.

The Chamber, however, opposes language in the underlying bill that would limit the ability of the IRS to utilize private collection agencies (PCAs) or prohibit the continuation of the private debt collection initiative. The IRS and PCAs have been working in partnership to collect back taxes efficiently and cost effectively, while protecting taxpayer rights, privacy, and security.

The Chamber is a strong supporter of Reps. Meek and Herger's bipartisan bill, H.R. 1023, which would repeal Section 511. This bill currently has 211 cosponsors and because of its strong support the Chamber believes that any language discussing Section 511 should be done on its own merit and not tied to the private debt collection issue.

The Chamber thanks you for addressing the withholding issue in H.R. 3056, but urges you to oppose the bill's limitations on the use of PCAs.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten", written in a cursive style.

R. Bruce Josten